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BOOK REVIEWS.

PUBLIC FINANCE. By C. F. BASTABLE, LL.D. Pp. xx and 672.
London and New York : Macmillan & Co. 1892.

The gods are at last propitious: the English speaking world has a text-book of "Public Finance." Hostile criticism is disarmed at the very beginning by the fact of the imperative necessity for such a book. Professor Bastable's name, moreover, carries with it the presumption of excellence. Best of all, an examination of the book furnishes conclusive evidence that one's hopes are not to be disappointed. It is the right book to meet the call of the time. It is true that few colleges in the country give place enough for so extended a course in public finance as this text-book would require; but it is to be counted one of the merits of the book that it will stimulate the development of such courses. It avoids on the one hand the Scylla into which Professor Cossa's little book, translated by Horace White, has fallen—a condensation which obscures, and renders the book incomprehensible to elementary students; and on the other hand it runs clear of the Charybdis which has been the fate of most German and French authors—an expansion, which makes their works unavailable to any but advanced specialists. Professor Cohn's recent work (now in process of translation into English) although one of the shorter of the German treatises, is probably twice as bulky as the volume before us. The clear and forcible style of the author makes it a pleasant task to read the book. In this respect Professor Bastable will occupy the place among the English writers which Leroy-Beaulieu holds in France, and Gustav Cohn in Germany.

Whatever may be the general judgment as to the originality of Professor Bastable's work, it must be conceded that he is original, at least, in this—both in being the first

writer in English to produce a systematic treatise on finance and also in recognizing the fact that the pioneer work should be, before all else, a good text-book. This latter aim he has kept in view throughout. Even when strongly tempted into the wider discussion of timely topics, he has resolutely held to his main idea ; not scientific research primarily, but an educative manual ; not so much an exposition of new facts or new views, as a systematic presentation of the general results reached by previous authors and by his own thought. It is safe to say that nowhere else in English could the student find so good an introduction to the subject of public finance—and that nowhere else in the literature of finance could he find a better. Not even to Leroy-Beaulieu or to Cohn would we yield the preference.

But to speak more particularly as to the characteristics of the book—one notices that an instinct, patriotic and at the same time scholarly, has led the author to cast his work in the mould of Adam Smith's. He has studied widely the most recent authors, he admits his indebtedness to Leroy-Beaulieu, Wagner, Cohn, Roscher and others ; yet he has chosen Adam Smith as his model. In one sense it may be said that he has simply brought Adam Smith down to date, and demonstrated anew the essential continuity of English economic literature. But after all he could not, perhaps, have done otherwise, for unquestionably Adam Smith has determined the form of all subsequent writing on finance. Smith's general divisions of the subject, his chief distinctions, many of his points of detail, have largely fixed the lines of subsequent inquiry and discussion. This is typified in his "Canons" of taxation, which have been a bone of contention among nearly all the writers since his day. The Germans have never gotten away from the form of Smith's work. All this is not to say that Smith created the distinctions, but simply that he saw them as they were in fact. But granting this, does not detract from the merit of those who have followed him. If the Germans have used his frame-work, they have built upon it with new

material. Our author, likewise, has been cosmopolitan in his collection of material. It is distinctively a comparative study. As a general treatise it is admirable for its impartial choice of illustration. Germany, Italy, France and the United States are ranged side by side, when existing systems are described. The attention is not confined to the English system as the case too often is in English treatises. Some of the best features of the continental writers on finance are observable in Professor Bastable's book—their minute analysis, their logical continuity, their fullness of detail, their philosophic breadth, their insistence upon the historical continuity and growth of institutions. It is thoroughly scientific in character—that is, as a scientific text-book.

To Adam Smith's threefold division of the subject into Public Expenditure, Public Revenue and Public Debts, another topic is added—"Financial Administration and Control." This has not always been treated as a division co-ordinate with the others; yet it undoubtedly deserves such rank. The financial mechanism of a State is a subject of the very first importance in dealing with the subject of the finances, and recent writers have generally recognized this fact.

Another praiseworthy feature of the book is the prominence given throughout to the distinction between general and local finance and to their mutual relations—their complementary character as parts of a unified system. In no other point does the wideness and the clearness of view of the author appear to better advantage than here. Different systems of local administrative division and activity are compared with all the detail necessary in so general a work, and with the result that the book might be used with fair success as an introduction to the science of administration.

The second division, "Public Revenue," forms naturally the main body of the work, filling four hundred pages, of which three hundred are devoted to a detailed discussion of "The Principles of Taxation," and "The Several Kinds of Taxes." He traces the historical development both

of thought and practice, not in the spirit of a compiler, but with abundance of critical comment and systematic exposition of principles. References abound to other authors, so that the student has at hand a guide to the entire subject. The whole book is written in a tone of calm and philosophic earnestness without partisan heat. He remains an Englishman, it is true, but an Englishman without grudge against his neighbors.

The introductory chapter contains an interesting discussion as to the place of "Public Finance" among the sciences, and a valuable account, all too brief, of the development of financial literature. His conception of the "State" might well be criticised, for he makes it synonymous with "governing body" (page 1). He justly condemns the doctrines of Leroy-Beaulieu and the practice of many other writers who regard public expenditure as not a legitimate part of the science of finance; and very strikingly connects this shortsightedness with the failure of economists generally to recognize the importance of consumption in their science. He favors the idea that public finance is not strictly a part of economics, but is essentially a separate science, granting only that "an acquaintance with economic science is an indispensable part of the equipment of the student of finance." In this position as in other parts of his book he plainly shows his conservative mind. The latest trend of economic doctrine has not given direction to his thought. Indeed, he distinctly disclaims more than a slight leaning toward some of the views of the Austrian economists. Yet in many places the new point of view becomes apparent. His conception of "State wants" is in line with the new doctrines. He says further, (page 8,) "State outlay is a part of the consumption of the society of which the State is the regulating organ, and for a knowledge of the conditions that govern it we must have a theory of the consumption of wealth in general." Such an admission would be fatal were he to follow it out to its logical consequences. It would lead inevitably to the conclusion which the new school contends

for, that consumption and value are the fundamental ideas of economics and that economics include the whole field of social activity in which consumption is the fundamental fact. Economics would become not merely an aid to finance, but its essence.

In discussing the relation of finance to history he brings out the need for comparative study. He adopts both the "deductive" and the "inductive" methods of research. In short, he is a true eclectic. He belongs strictly to no single school.

What he says suggests the question whether history can be properly called a distinct science. May not history be, after all, in one sense a *method*, and in another sense a *field of inquiry*, belonging in both senses to all sciences, whether physical or social? Diderot has finely said that to every science there are three divisions—the historical, the theoretical and the practical; the first dealing with past systems, the second with existing facts, the third being the conscious attempt to direct the future.

It is not intended by this review to leave the impression that the book is faultless. Many points of detail might be controverted. But we need just such a book in the main as Professor Bastable has given us and we welcome it with enthusiasm. It is what it aims to be, a scientific text book. It is to be hoped that it will prove the inspiration of other works, in which scientific research shall be the avowed object.

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THE AMERICAN CITIZEN. By CHARLES F. DOLE. Pp. xvi. and 320. Boston: D. C. Heath & Co. 1891.

In a democratic republic the standard of citizenship is a matter of paramount political importance. What the average citizen feels compelled to do politically, his sense of public responsibility—in a word, the civic habits of the *demos* are of even greater importance than the machinery